

## POVERTY IN INDIA: THE CHASM BETWEEN MYTH AND REALITY

ANAND CHOUDHARY

Assistant Professor, Human Resource Management, Amity University, Patna, India

### ABSTRACT

*The current article examines India's journey towards reducing poverty and development of social opportunities including its performance in creating quality education and healthcare facilities for its people since independence whilst arguing that much more needs to be done in order to lift the millions out of poverty. The article also looks at the different definitions on poverty proposed by scholars over the years whilst arguing that the Government must work towards creating an environment of inclusive growth because aggregate income or a high GDP rate would not mean much if its fruits are not widely shared among the people. In addition it also proposes that the government needs to work towards strengthening and improving the quality of education in government schools in the country along with providing quality healthcare facilities in primary healthcare centres in order to develop the basic capabilities of the people which would facilitate greater income generating opportunities for them.*

**KEYWORDS:** Poverty, Healthcare, Education, Development, Local Communities & India

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### INTRODUCTION

On 15th August, 1947 when India gained her independence from the British, the first Prime Minister of independent India, Pandit Jawahar Lal Nehru in his famous "tryst with destiny" speech acknowledged the responsibility that working for the nation entailed working for the development of the poor whilst gaining freedom from poverty, inequality, illiteracy among other evils. Other leaders including the first President of India, Dr. Rajendra Prasad along with other leading figures of the day also gave a clarion call to Indians to work towards creating conditions for the removal of poverty, ignorance and other societal evils, hoping that soon India would be free of the chains that had shackled her growth and would rise to her fullest potential. However, there seems a big chasm in the hopes of what the leaders had aspired and what have been achieved till date. Although it's true that India has made tremendous progress in the last seven decades in various fields, with systematic efforts been made to combat poverty, malnutrition, illiteracy amongst other things and the overall poverty ratio has declined from about 55% in 1973-74 to around 27.5 % in 2004-05, however, in reality, the absolute number of poor people has climbed down only marginally, from around 320 million in 1993-94 to 302 million in 2004-05, owing to population growth, persistence of poverty and poverty dynamics. This may surprise many who are used to looking at the official poverty estimates to assess how the poor are faring. According to the planning commission, the headcount ratio of rural poverty that is the number of rural people below the poverty line declined from about 50 percent in 1993-94 to 34 percent in 2009-10 which might appear as a big improvement at first, however, if one looks closely then one would find that it is followed by very little growth in per capita expenditure because of the fact that because so many people are just below the poverty line so consequently even a slight increase in per capita income and expenditure is enough to lift them above the official poverty line as fixed by the government (Dreze & Sen, 2012).

## UNDERSTANDING POVERTY AND THE NUMBER GAME

Poverty has been “differently defined and measured” (Lechman, 2013, pp. 2), over the years whilst remaining one of the focal points of the development debate amongst policymakers, international development agencies and scholars. Traditionally poverty was defined as a “lack of income” (Alkire & Santos, 2013), by scholars such as Rowntree (1901), however, more recently poverty is considered by many as “multidimensional deprivation” i.e. deprivation in terms of a range of capabilities (Hulme, 2003), which restricts a person’s ability and the freedom to lead the kind of life one has reason to value (Sen, 2000). According to Ravallion (1996), understanding poverty requires the inclusion of both economic (money-metric) and non-economic factors. In simple terms, poverty can be understood as “hunger, having a lack of shelter, being sick and not being able to see a doctor, not having access to school and not knowing how to read. Poverty is also not having a job, having a fear for the future, living one day at a time and losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom” (WBCSD Report, 2010, p.9). In spite of a plethora of literature available on poverty (Lechman, 2013), there has been no consensus amongst scholars on devising a common tool for measuring poverty. Different approaches have been offered by scholars for defining and measurement of poverty. One of the important ones being the “monetary approach”, which considers poverty as a “shortfall in income” (Laderchi et al., 2003) and remains one of the most commonly adopted approaches for identifying poverty. The World Bank development report (1990), uses this approach to define the poor as those who earn less than \$1.25 a day at 2005 prices and is considered to be the most commonly accepted poverty line. However, scholars such as Ravallion (2011), have criticised this approach arguing that in order to formalise policies for poverty reduction, one needs to look at particular countries’ performance in different dimensions rather than relying on any single determinant for measuring poverty. “Capability development” offered by Sen (2000), is another approach for the measurement of poverty. According to Sen (2000), who defines poverty as “deprivation of basic capabilities” (Sen, 2000, pp. 87), rejects income as the sole determining variable for assessing poverty and refers to development as an expansion of human capabilities. “Capability refers to the alternative combinations of functioning that are feasible for a person to achieve” (Sen, 2000, pp.75), whilst functioning refers to various doings and beings a person manages to do in his or her life ranging from basic functioning such as being in good health and being educated to higher functioning such as obtaining a respectable position in society (Dreze & Sen, 2012). Capability approach concerns itself with the overall wellbeing of the individual whilst focusing on “the substantive freedoms the capabilities to choose a life one has reason to value” (Sen, 2000, pp.74). However, in spite of several milestones being achieved on the road to poverty reduction like halving the number of the poor globally five years ahead of the deadline (UNCTAD 2012), it continues to pose a grave challenge and fighting it remains one of the key priorities for the modern world (Fritzell et al., 2014). As in the words of Mehta et al., (2012), although the various anti-poverty programs adopted by the government of India along with a ‘rights based approach’ ensuring ‘Right to Food’(25 kilos of ration to every BPL family),and ‘Right to Education’, has resulted in poverty incidence declining from about 55% in 1973–74 to 27.5 % in 2004–05, however, the absolute number of poor has remained more or less same, owing to population growth, persistence of poverty and poverty dynamics. Till date, India retains the unenviable position of being the country with the largest number of the poor in the world (UNCTAD World Development Report, 2014). So why did the country fail to achieve rapid growth for over three decades following independence and instead developed at a rate of around 3.5 percent per year? Although even that looks a great leap forward if one closely analyses the growth rate of India from around 1900s till she gained independence from the British in 1947, developing at a dismal one percent a year. However, maintaining a growth rate of 3.5 percent per annum failed to lift the millions and millions of the poor trapped in poverty. Why India failed to

develop faster as compared with other Asian tigers notably South Korea and Taiwan has various multifaceted reasons. One of them being that the Indian policymakers failed to ensure the access to primary healthcare and education facilities to its millions of people which contributed in making the growth non-inclusive. It has long been established beyond any doubt due to the works done by Dreze & Sen (2012), Haq (2003) and Sen (2000) among others that education and healthcare are paramount in expanding human capabilities. However, over a long period following independence, a large number of people did not get the opportunity to enhance their capabilities most notably their education and access to good healthcare which resulted in creating massive inequality in the Indian society, the results of which are still being bore till today. In addition, convoluted regulation of the private sector by the government stifled economic growth from the early sixties until the year 1991, when the government was forced to take corrective actions and change its economic policies, thereby beginning the process of liberalising reforms and ending the infamous 'licence-raj' which required companies to take unending government licences and permits to start even the smallest of business ventures. These among other reasons such as the public sector companies (PSUs) failing to give a return on their investment over the years, the government's reluctance to disinvestment and reforms as well as neglect of other critical sectors vital for growth, all played a major part in the failure of the people to come out of poverty.

**Table 1: Definitions on Poverty**

Sen, A.	Being poor does not mean living below an imaginary poverty line, such as an income of two dollars a day or less. It means having an income level that does not allow an individual to cover certain basic necessities, taking into account the circumstances and social requirements of the environment.
Townsend, P. ( <a href="https://www.bristol.ac.uk/poverty/definingandmeasuringpoverty.html">https://www.bristol.ac.uk/poverty/definingandmeasuringpoverty.html</a> )	Poverty is defined as those people whose resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities.
World Bank ( <a href="https://www.worldbank.org/en/topic/poverty/overview">https://www.worldbank.org/en/topic/poverty/overview</a> )	The World bank defines extreme poverty as living on less than US\$1.90 per day (PPP), and moderate poverty as less than \$3.10 a day. It has been estimated that in 2008, 1.4 billion people had consumption levels below US\$1.25 a day and 2.7 billion lived on less than \$2 a day.
World Business Council for Sustainable Development (WBCSD) ( <a href="https://www.wbcsd.org">https://www.wbcsd.org</a> )	Poverty is hunger, having a lack of shelter, being sick and not being able to see a doctor, not having access to school and not knowing how to read. Poverty is also not having a job, having a fear for the future, living one day at a time and losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom
Rowntree, J. ( <a href="https://www.jrf.org.uk/report/definition-poverty">https://www.jrf.org.uk/report/definition-poverty</a> )	When a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).
Governance and Social Development Resource Centre (GSDRC) ( <a href="https://gsdrc.org/topic-guides/poverty-and-inequality/measuring-and-analysing-poverty-and-inequality/defining-poverty-extreme-poverty-and-inequality/">https://gsdrc.org/topic-guides/poverty-and-inequality/measuring-and-analysing-poverty-and-inequality/defining-poverty-extreme-poverty-and-inequality/</a> )	Poverty is a pronounced deprivation in well-being.
Scottish Poverty Information Unit ( <a href="https://www.bbc.co.uk/scotland/education/ms/wealth/def_of_poverty/definitions.shtml">https://www.bbc.co.uk/scotland/education/ms/wealth/def_of_poverty/definitions.shtml</a> )	Poverty is defined relative to the standards of living in a society at a specific time. People live in poverty when they are denied an income sufficient for their material needs and when these circumstances exclude them from taking part in activities which are an accepted part of daily life in that society."

## CONTRADICTIONARY GOAL POSTS

The objective behind the formulation of any economic policy by the governments is to provide ‘rapid, inclusive and sustainable growth of national income’. Growth must be inclusive, especially in a relatively poor country such as India because aggregate income is of little value in itself if not widely shared by the people belonging from all walks of life. It also needs to be sustainable or else it would lead to depletion of country’s precious natural resources important for the survival of future generations. However, there are often conflicting and contradictory views offered by economists and other development experts on which path to tread for the overall growth and for achieving international development goals including poverty reduction and sustainable development. One of the ways advocated by economists such as Sen (2000), and Haque (2003), involves ‘Human Development’ and ‘Well being’ where focus is on ‘developing capabilities’ (Sen, 2000, 1976), of the people by having quality education, healthcare, vocational training, women empowerment and an enabling environment where people have the freedom to pursue a life which they have reason to value. This approach requires systematic and consistent government interventions. The other way involves creating an environment of ‘high economic growth’ where markets create new opportunities, for example foreign direct investment (FDI), and businesses providing new employment opportunities and facilitating sustainable income generating opportunities. However, one of the problems with this approach is that although it creates a limited number of employment and growth opportunities (Jenkins, 2005), for the young and educated middle class living in cities in sectors such as Information Technology (IT) and financial services, the rural as well as the urban poor who form the bulk of the Indian people ranging between 80 to 100 crores, often have little quality education and consequently are largely left out of the high economic growth cycle.

## THE STATE OF HEALTHCARE AND EDUCATION: THE GAP BETWEEN MYTH AND REALITY

According to Sen (2000), who considers poverty as a ‘deprivation of basic capabilities’; social opportunities which he also refers to as ‘basic capabilities’, most notably ‘education’ and ‘healthcare’, influence the individuals’ substantive freedom to live better as it provides the individual, capabilities in form of sound education and robust health which is the base for the development of the person whilst giving them greater freedom and opportunities to achieve what they may aspire. Research has proven that development in these social indicators enhance the capabilities of the poor, facilitating greater opportunities. However, the state of healthcare and education, most notably primary education in government schools in thousands of villages across India along with the healthcare facilities in the country leaves much to be desired. If today, one analyses Sen’s (2000, 1976), ‘theory of capability’ in the context of India, one may get the impression that a lot has been achieved in the development of social opportunities. For example, today in almost every village (Gram) Panchayat at the block level, there are government schools as well as primary health care centres or PHCs (Joshi, 2016). So, theoretically we should soon achieve the same level of human development as in China, however, there lies a catch. For instance, according to the National Family Health Survey-3, almost half of the children below five years of age in the country are underweight and are stunted as a result of chronic undernutrition. The early years of life, particularly the first couple of years for the infants are extremely crucial for their overall growth and development in the following years. Whilst it is true that there are government schools and PHCs in almost every ‘Panchayat’, the ground realities are often different than what meets the eye. The quality of education in the primary, secondary and high schools are often poor in villages, whilst the state of PHCs are often deplorable especially in North Indian states because most of the time neither doctors nor essential medicines are found there.

According to a UNICEF sponsored study by one of the leading Mumbai based NGO, in all 600 Indian districts, more than seven hundred-thousand children were randomly tested and that is around more than one thousand children from every district. The studies concluded that “around 35 percent of the children who are between the age group of seven to fourteen could not read a simple paragraph whilst more than 60 percent could not read a simple story (Banerjee & Duflo, 2011). Although there are exceptions with states like Himachal Pradesh in North India and states including Kerala, and Tamil Nadu in the South, which have succeeded in providing quality education in schools along with robust healthcare facilities in PHCs (Dreze & Sen, 2012). However, barring these exceptions, the quality of education and healthcare has remained poor in other parts. Consequently, the poor are often forced to put their children in private schools. In addition, seeking private healthcare puts a great burden on their often limited resources. It is a proven fact often cited by economists that medical costs incurred in the treatment, often drives a family into poverty whilst if the earning member of the family, the paterfamilias falls sick then it may drive the family into chronic poverty (Hulme & Shepherd 2003), as then the family has to sell whatever little it may own for bearing the costs of private healthcare with no earning member.

## **THE ROAD AHEAD**

The government needs to establish a system of “accountability” in the field of education and healthcare ensuring that quality education is imparted in government schools by trained and qualified teachers whilst the PHCs and the ‘Sadar Hospitals’ in every district are well equipped with regular and continued presence of doctors along with adequate supply of essential medicines so that the poor do not need to depend on private healthcare which often costs them a fortune and thereby driving them into poverty. Contrary to some sceptics on how a developing country such as India is supposed to allocate increased resources to education and healthcare? It’s advisable to remember that in a poor country, the labour costs are often cheap (Sen, 2000), when compared with developed countries so we can afford to have a large number of dedicated and qualified healthcare professionals and teachers who can contribute towards the development of healthcare and education in India. In addition there is an urgent need to develop a comprehensive framework for the development of other capabilities such as providing quality vocational and skill development based training in every district along with creating an enabling environment of development for all segments of society including the women and people belonging from scheduled caste and tribes. A large proportion of the income generated by high economic growth must be invested by the Government in a focussed way on developing ‘social opportunities’ including healthcare facilities, educational opportunities and creating a robust infrastructure including motor able roads and electricity among other amenities as social development enhances the capability of the poor and thereby facilitating greater income generating opportunities which leads to an overall reduction in poverty. In a country like India which has huge disparities between the privileged elite and the rest, an environment of ‘inclusive growth’ needs to be created where the focus should be on providing ‘quality education’ in schools along with ‘quality healthcare’ in the primary healthcare centres (PHCs), whilst ensuring the presence of doctors in the PHCs as these two basic capabilities are the fundamental prerequisites for the social and economic development of the poor and the marginalised communities across different states in India.

## **CONCLUSIONS**

It can be said that till now, the measures to tackle poverty over the years have largely been successful only in parts and government initiatives such as MNREGA and more recent initiatives such as the ‘Pradhan Mantri Kaushal Vikas Yojna’ (PMKY) have largely been successful in some places, for some of the people, some of the time in generating a limited number of employment opportunities. Much more needs to be done by the government for creating sustainable income

generating opportunities for the poor as well as for creating an enabling environment which encourages and facilitates capability development opportunities for the people by providing quality education and healthcare facilities at the village level as they are the building blocks for the eradication of poverty.

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